

87-364

Supreme Court, U.S.

FILED

AUG 31 1987

JOSEPH F. SPANIOL, J.
CLERK

No. _____

IN THE
Supreme Court of the United States

OCTOBER TERM, 1986

**PUBLIC SERVICE COMMISSION OF THE
STATE OF NEW YORK, ET AL.,**

Petitioners,

v.

**MARTIN EXPLORATION MANAGEMENT
COMPANY, ET AL.,**

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR
THE TENTH CIRCUIT

RAYMOND N. SHIBLEY
BRIAN D. O'NEILL
LeBoeuf, Lamb, Leiby &
McRae
1333 New Hampshire Ave.,
N.W.
Washington, D.C. 20036
Counsel for Panhandle
Eastern Pipeline Company

FREDERIC MORING
HERBERT J. MARTIN
Crowell & Moring
1001 Connecticut Ave.,
N.W.
Washington, D.C.
20004-2505
Counsel for Associated Gas
Distributors

RICHARD A. SOLOMON
MARK N. MUTTERPERL
Wilner & Scheiner
Suite 300
1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

Counsel for The Public Service
Commission of the State of
New York

~~STEPHEN WILLIAMS
General Counsel
GEORGE G. CARTER
Senior Attorney
P.O. Box 2419
Clarksburg, W. Va. 26302-2450~~

Counsel for Consolidated Gas
Transmission Corporation

TERRENCE J. COLLINS
ROBERT BALLANTINE
P.O. Box 2511
Houston, Texas 77001

Counsel for Tennessee Gas Pipe-
Line, A Division of Tenneco Inc.

August 31, 1987

45PP

QUESTION PRESENTED

Whether the Federal Energy Regulatory Commission properly concluded that Section 121 of the Natural Gas Policy Act, 15 U.S.C. 3331, mandating deregulation of certain categories of gas, makes inapplicable to such gas all ceiling price categories of the Act.¹

¹The parties and their alignment in the court of appeals are as follows:

Petitioners: Martin Exploration Management Company, Colorado Energy Corporation, Phillips Petroleum Company, Phillips Oil Company, Exxon Corporation, Shell Off-Shore, Inc., Shell Western E&P, Inc., Independent Oil & Gas Association of West Virginia, and Amoco Production Company.

Respondent: Federal Energy Regulatory Commission.

Intervenors: Arco Oil & Gas Company, Ohio Oil and Gas Association, Independent Oil and Gas Association of West Virginia, Gulf Oil Corporation, successor to Chevron, U.S.A., Inc., Union Oil Company of California Champ-lin Petroleum Company, Pennzoil Company, Pennzoil Oil & Gas, Inc., Pennzoil Producing Company, Placid Oil Company, Tennessee Gas Pipeline Company, a division of Tenneco, Pacific Gas & Electric Company, Amoco Production Company, Transok, Inc., Oklahoma Natural Gas Company, a division of Oneok, Inc., Associated Gas Distributors, Public Service Commission of the State of New York, Pacific Lighting Gas Supply Company, Southern California Gas Company, Consolidated Gas Transmission Corporation, Panhandle Eastern Pipe Line Company, Cities Service Oil and Gas Corporation, Grace Petroleum Corporation, Valero Transmission Company, BHP Petroleum Company, Inc., successor to Monsanto Oil Company, Texas Eastern Transmission Corporation, Transwestern Pipeline Company, United Gas Pipe Line Company, United Texas Transmission Company, and Texas Gas Transmission Corporation.

Pursuant to Rule 28, we include as an Addendum hereto a listing naming all parent companies, subsidiaries and affiliates of the corporate petitioners.

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STATE OF NEW YORK, *ET AL.*,

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v.

MARTIN EXPLORATION MANAGEMENT
COMPANY, *ET AL.*,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR
THE TENTH CIRCUIT

The Public Service Commission of the State of New York, Associated Gas Distributors, ~~_____~~, ~~_____~~, Panhandle Eastern Pipe Line Company and Tennessee Gas Pipeline, petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Tenth Circuit in this case.

OPINIONS BELOW

The order of the court of appeals denying rehearing and modifying the initial panel opinion (App. B, pp. 29a-31a) is unreported.² The initial opinion of the court of appeals (App. A, pp. 1a-28a) is reported in 813 F.2d 1059. Order Nos. 406 (App. E, 61a-103a), and 406-A (App. F, 104a-126a) of the

²The citation "App." is to the Appendix to the Petition for a Writ of Certiorari filed by the Solicitor General on behalf of the Federal Energy Regulatory Commission.

Federal Energy Regulatory Commission are reported at 29 FERC ¶ 61,202 (CCH) (1984), and 29 FERC ¶ 61,335 (CCH) (1984) respectively. Order No. 406-B is reported at 30 FERC ¶ 61,152 (CCH) (1985).

JURISDICTION

The order of the court of appeals denying timely filed petitions for rehearing was entered on May 1, 1987. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATUTES AND REGULATION INVOLVED

Section 101(b) (5) of the Natural Gas Policy Act, 15 U.S.C. 3311(b) (5), provides:

3311. Inflation adjustment; other general price ceiling rules

* * * * *

(b) Rules of general application.

* * * * *

(5) Sales qualifying under more than one provision. If any natural gas qualifies under more than one provision of this subchapter providing for any maximum lawful price or for any exemption from such a price with respect to any first sale of such natural gas, the provision which could result in the highest price shall be applicable.

Section 121 of the Natural Gas Policy Act, 15 U.S.C. 3331, provides in pertinent part:

3331. Elimination of price controls for certain natural gas sales.

(a) General rule. Subject to the reimposition of price controls as provided in section 3332 of this title, the provisions of part A of this subchapter respecting the

maximum lawful price for the first sale of each of the following categories of natural gas shall, except as provided in subsections (d) and (e) of this section, cease to apply effective January 1, 1985:

* * * * *

18 C.F.R. 270.208 (1986) provides:

Applicability of Section 121

First sales of natural gas that is deregulated natural gas as defined in [28 C.F.R.] § 272.103(a) is price deregulated and not subject to the maximum lawful prices of the NGPA, regardless of whether the gas also meets the criteria for some other category of gas subject to a maximum lawful price under Subtitle A of Title I of the NGPA.

STATEMENT

This proceeding involves the determination by the Federal Energy Regulatory Commission ("FERC") that all pricing provisions of the Natural Gas Policy Act of 1978, 15 U.S.C. 3301, *et seq.* (NGPA), cease to apply to the first sales of various types of natural gas when such gas is "deregulated" under Section 121 of the NGPA. Under the FERC's decision, producers cannot rely upon the NGPA to charge maximum ceiling prices which would have been applicable to the gas prior to deregulation.

1. Most of the contracts for the sale of natural gas entered into since the early 1970's, when Congressional legislation to deregulate such sales became likely, have contained separate provisions governing the prices to be paid under regulation and the prices to be paid if and when the sales were deregulated. Typically, the contractual pricing provisions applicable under regulation authorized the producer to charge the maximum lawful price which might thereafter be established by any regulatory authority. Under such "area rate" provisions the producers have been held to be contractually entitled to collect either the maximum price fixed by FERC for the gas under

the Natural Gas Act, 15 U.S.C. 717 *et seq.* ("NGA"), or any wellhead ceiling price established by Congress. *Pennzoil Co. v. FERC*, 645 F.2d 360 (5th Cir. 1981) *cert. denied*, 454 U.S. 1142 (1982). The separate pricing provisions applicable to the sales under deregulation generally provided for a stated benchmark price to be applicable as of the date of deregulation subject to periodic renegotiations to arrive at prices reflecting current market conditions.

2. Prior to November 1978, the prices for gas sold by the producers in interstate commerce for resale were determined by the Federal Power Commission, and its successor, FERC, pursuant to provisions of the NGA. This regulatory scheme was drastically altered when Congress enacted the NGPA on November 8, 1978. Under the NGPA, Congress eliminated FERC's authority to fix the just and reasonable rates for first sales of various categories of natural gas and, in its stead, prescribed a series of ceiling prices which were to be maximum lawful prices. The NGPA also provided in Section 121, 15 U.S.C. 3331, for the staggered deregulation on specified dates of certain categories of new and high cost gas.

The NGPA represented a legislative compromise between those who wished to deregulate all gas sales, or all sales of new gas, and those who desired to retain price regulation over all gas, or at least over already flowing gas. Specifically, Congress in the NGPA distinguished between old flowing gas (and certain new gas produced from older reservoirs on old leases in the Outer Continental Shelf), which were to remain permanently subject to regulation, and categories of new and high cost gas, which were to be subject to substantially higher ceiling rates for specified periods expiring in 1979, 1985, or 1987, but which were then to be deregulated pursuant to the provisions of Section 121 of the NGPA. In addition, the NGPA established a third category of higher price ceilings, applicable to either old or new gas, which was produced in small quantities from so-called "stripper wells" (Section 108, 15 U.S.C. 3318) or involved high cost production which FERC found to present extraordinary risks or costs and provided higher ceiling prices (Section 107(c)(5), 15 U.S.C. 3317(c)(5)).

Because some gas would qualify for more than one regulated pricing category, the NGPA provided in Section 101(b) (5), 15 U.S.C. 3311(b) (5), that where gas qualified under more than one ceiling price "or for any exemption from such a price," the provision which "could" result in the highest price shall be applicable. The NGPA also provides, however, before a producer could charge any ceiling price for which its gas otherwise qualifies, the producer would need contractual authority to charge the ceiling price. Section 101(b) (9), 15 U.S.C. 3311(b) (9).

3. In 1984, the FERC initiated a rulemaking proceeding to implement the congressionally required deregulation of major categories of new gas scheduled to become effective on January 1, 1985. *See* 49 Fed. Reg. 36,399 (1984). At issue here is the portion of the FERC's rulemaking which concerns the impact of the mandatory deregulation of certain categories of new gas upon the right of the producer to continue to charge the ceiling price for other categories of gas, primarily Section 107(c) (5) or 108, for which it was also eligible.

Following the filing of extensive comments, the FERC concluded that the pricing provisions of Title I of the Act ceased to be applicable to deregulated gas, and the continuing eligibility of the deregulated gas under pricing provisions not themselves the basis for deregulation did not permit a producer to continue to charge the statutory ceiling prices for the gas. In its order denying rehearing (30 FERC ¶61,152 (CCH) (1985)), FERC explained that:

The statute clearly states that price controls for certain "gas" shall cease to apply January 1, 1985. NGPA Section 121 mandates deregulation for these categories of gas. The fact that some of this gas also qualifies for another gas category does not alter this congressional mandate to deregulate.

The producers had contended (App. E, p. 79a) that they may choose to price deregulated gas at the ceiling rates prescribed for "stripper well gas" under Section 108 of the NGPA or high cost gas under Section 107(c) (5), pursuant to Section 101(b) (5). However, FERC, finding that deregulation is mandatory under Section 121, rejected the producers' argument that

this provision is applicable to the gas at issue here. (App. E, pp. 79a-80a).³ In addition, FERC concluded that, even if the reference in Section 101(b) (5) to an exemption from a regulated price were applicable, the provision would not allow producers to choose the highest price existing at any given time, whether regulated or deregulated; instead, FERC concluded that producers would still be required to apply the contract's provisions governing post deregulation prices because parties may always negotiate a contract price that would be above a regulated price and, therefore, the deregulated price always "could result in a price higher than a regulated price." *Id.* at 79a.

4. Respondents petitioned to the United States Court of Appeals for the Tenth Circuit for review of FERC's order. A panel of the court of appeals set aside FERC's order on the dual qualification gas issue ruling that "FERC's interpretation is contrary to the clear intent of Congress as expressed in the unambiguous language of Section 101(b) (5) of the NGPA" (App. A, p. 22a).

The court of appeals held (App. A, p. 11a) that "Congress anticipated precisely the question in Section 101(b) (5)." The court first reasoned that Section 101(b) (5) is applicable to deregulated gas because it refers to gas qualifying under the provisions or the subchapter providing for any maximum lawful price or "for any exemption from such a price" and deregulated gas constitutes an "exemption from such a price" (App. A, p. 14a). As to FERC's conclusion that deregulated gas always "could result in the highest price" by contractual agreement, the court said that the regulated price for the gas "could" be higher at a given time because FERC is empowered to raise the ceiling prices for flowing gas to "just and reasonable" levels (App. A, p. 15a) and Section 101(b) (5) "requires a comparison of the applicable price for each category at a particular moment" (*id.* at 16a). The court of appeals recognized

³FERC noted (App. E, p. 74a) that the producers themselves had previously argued that this provision was inapplicable, but had changed their position as market conditions changed to make regulated price ceilings more attractive than the provisions of their contracts governing the price for the sale subsequent to deregulation.

that the result of its decision rejecting FERC's interpretation of NGPA is that considerable gas will be sold at higher regulated prices when contract prices geared to market conditions are at a lower level, a result Congress did not envision. But it concluded that the result was due to Congress' lack of foresight and was a matter for legislative overview (App. A, pp. 23a-24a).

On May 1, 1987, the court of appeals denied rehearing and the suggestion for rehearing *en banc* (App. B, p. 31a).

REASONS FOR GRANTING THE WRIT

1. This case presents a recurring question of great importance to the regulation of natural gas under the Natural Gas Policy Act, 15 U.S.C. 3301, *et seq.*, as to whether the deregulation of certain categories of new or high cost natural gas makes inapplicable to such gas all provisions of the Act governing the maximum lawful price at which such gas may be sold. The court of appeals held that producers of deregulated gas may still invoke the Act's provisions whenever the prescribed ceiling price for certain categories of gas for which the deregulated gas would also qualify is higher than the deregulated contract price for the gas. The court of appeals' conclusion would not only thwart the congressional intent of freeing the price of deregulated gas from all regulatory intrusion on market forces, but it would have the immediate and continuing effect of increasing the cost of gas by millions of dollars annually. For this reason, and because FERC's interpretation of the Act it has the responsibility to administer was a reasonable one, consistent with the language, structure and legislative history of the Act, this case presents substantial questions warranting this Court's plenary review.

The immediate effect of overruling FERC's interpretation of the statute will be significantly higher prices for natural gas. Any such increase will, in turn, exacerbate the already massive pipeline take-or-pay burden with which the industry is struggling. *See Associated Gas Distributors v. FERC*, No. 85-1811, slip op. at 75-95 (D.C. Cir. June 23, 1987). We are advised by the Interstate Natural Gas Association of America, the trade association of pipeline companies, that the vast

majority of pipelines transporting and selling gas in the specified categories would be affected by the court of appeals' decision. For the years 1985-1987 alone, the increase in gas costs would exceed three hundred million dollars. Moreover, the impact of the court of appeals' opinion will be a continuing one; as newly developed gas qualifies for treatment as "stripper well" gas under Section 108, or high cost gas under Section 107(c) (5) of the NGPA, producers would be able to charge the ever increasing regulated ceilings for such gas whenever they exceed deregulated contract prices tied to market levels. And all such price increases would automatically flow through to the pipelines' customers pursuant to Section 601(c) of the NGPA, 15 U.S.C. 3431.

2. FERC, in its rule under review, held that Section 121 of the NGPA, providing for the elimination of price controls for certain categories of natural gas, had the effect of removing from price regulation all sales of gas which meet the criteria for deregulation under the section. Specifically, FERC concluded (App. F, p. 109a) that the language providing that, the provisions of Part A of this subchapter respecting the maximum lawful price for the first sale of each of the following categories of natural gas shall . . . cease to apply" to the gas at the various dates set for deregulation, made the entire regulated pricing mechanism of Part A inapplicable to the first sales of gas which had been deregulated, regardless of whether the gas, prior to deregulation, had qualified for treatment under more than one pricing category, only one of which was expressly deregulated.

The lower court agreed that FERC's construction of Section 121 was a reasonable one which it would normally be required to accept under this Court's rulings, in *Chevron, U.S.A. v. Natural Resources Defense Council*, 467 U.S. 837, 843 (1984), *reh. denied*, 468 U.S. 1227 (1984), and *Chemical Mfgs. Assn. v. Natural Resources Defense Council*, 470 U.S. 116, 125 (1985). However, the court of appeals concluded that the language of Section 121 was "ambiguous"⁴ and FERC's

⁴The alleged ambiguity stems from the fact that Section 121 only provides for deregulation of specified categories of gas; it was therefore argued by various producer parties that the pricing provisions which "cease to apply" to deregulated gas are limited to those specifically applicable to the listed types of gas being deregulated and other pricing

otherwise reasonable interpretation could not be sustained in the light of the "plain language" of Section 101(b) (5) where, the court concluded, "Congress anticipated precisely [the] question" raised in the present case (App. A, p. 11a).

Section 101(b) (5) establishes a rule of construction under which, where gas "qualifies under more than one provision of this subchapter providing for any maximum lawful price or for any exemption from such a price with respect to any first sale of such natural gas, the provision which could result in the highest price shall be applicable" (15 U.S.C. 3311(b) (5)). The court of appeals construed this language as providing that if a sale of gas which has been "exempted" from any price ceiling by being deregulated pursuant to Section 121 remains qualified for treatment under another regulated price category, the producer has the option, exercisable on a month-by-month basis, to choose whether to price its gas under the terms of its contract or to collect a higher regulated price.

Any interpretation of Section 101(b) (5) which allows producers a permanent option to operate under regulation or deregulation, as it suits their immediate interests, is inconsistent with the legislative history of the Section. As Representative Dingell, House floor leader for the bill which became the NGPA, emphasized in his comprehensive explanatory statement of the bill's intent, Section 101(b) (5):

is intended to facilitate resolution of which ceiling may apply if more than one ceiling price appears applicable. Whichever ceiling price could result in the highest price is the applicable maximum lawful price (emphasis added).

124 Cong. Rec. 38363 (1978).

provisions for which the gas may qualify remain in effect. (App. A, p. 11a). However, Section 121 contains no such limitation. It does not state that the ceiling price specified by Section 102 shall not apply to gas qualifying under Section 102(c), one of the categories of gas deregulated as of January 1, 1985. Instead, it specifies that as of that date *all* "provisions of part A of this subpart respecting the maximum lawful price for the first sale of deregulated gas "shall . . . cease to apply". This includes Section 101(b) (5).

Representative Dingell further explained that the producer's option between two maximum pricing provisions was only available prior to deregulation of the gas involved in the sale:

Another way in which dual determination requests could be appropriate would be in cases in which one determination would yield a short term benefit, while another a long term advantage. Such could be the case where a new well produces new gas and also qualifies as a stripper well. A single proceeding to determine qualification for both designations *would permit the producer to obtain stripper well pricing under Section 108 prior to January 1, 1985 and deregulation as new gas thereafter.*

(*Id.*) (Emphasis added).⁵

FERC's construction does not make the reference to "any exemption to any such price" in Section 101(b) (5) surplusage. On the contrary, assuming that exempted gas refers to gas which has been deregulated under Section 121, the most reasonable interpretation of its purpose is to make clear that where gas qualifies both for deregulation under Section 121 and for a regulated price, the deregulated price will govern because the deregulated price "could" always result in the highest price. The fact that at a particular moment a regulated ceiling price might be higher than the unregulated price does not, as the court of appeals believed, negate this analysis. Since there are no *statutory* limitations on a deregulated price, it always "could" be higher than any regulated ceiling price.

⁵The contrary result reached by the court below would allow the producer to continue to collect the ever increasing ceiling price under Section 108, which is presently at a level of \$4.926 per Dth and increases at 4% per month, plus an inflation per factor. It is inconceivable that Congress intended this ever-increasing rate would be applicable to deregulated gas in perpetuity. Instead, Congress clearly adopted the very high ceiling price for stripper well gas in recognition of the fact that the section would be applicable to "new" gas only until it was deregulated, (after which market forces would prevail), and to old flowing gas (or gas produced from old reserves on old offshore leases) only until the finite reserves of such gas were depleted.

Finally, as FERC said (App. E, pp. 77a-78a), Section 121 of the Act expressly makes all of the provisions of Part A of Title I of the Act, including the rules of construction set out in Section 101(b) (5), inapplicable to deregulated gas. The court of appeals suggested (App. A, p. 13a) that this argument goes too far since it would make inapplicable to deregulated gas all the rules of construction and other provisions contained in Section 101 of the Act. But these provisions are related solely to the computation of the maximum lawful prices set out in Part A of Title I and are not necessary for the proper construction either of Part B thereof, or the remainder of the Act. The definitions of general applicability are, instead, set out separately in Section 100, 15 U.S.C. 3301, which precedes any of the substantive provisions of the Act.

In sum, the court of appeals should have deferred to FERC's construction of the two provisions involved. Here, as in *Young v. Community Nutrition Institute*, _____ U.S. _____, 106 S. Ct. 2360 (1986), the court of appeals erred in concluding that Congress unambiguously expressed its intent and in failing to defer to the agency's interpretation. FERC has consistently construed Section 121 to mean that all specified categories of gas are deregulated, regardless of whether such gas might also qualify for a regulated ceiling price. FERC's view is formalized in a regulation after extensive comments and analysis. At a minimum, FERC's construction "is based on a permissible construction of the statute," *Chevron U.S.A. v. Natural Resources Defense Council*, 467 U.S. 837, 843 (1984), *reh. denied*, 468 U.S. 1227 (1984), and FERC's construction is particularly entitled to deference because it is a "contemporaneous construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new." *Norwegian Nitrogen Products Co. v. United States*, 288 U.S. 294, 315 (1933).

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

RAYMOND N. SHIBLEY
BRIAN D. O'NEILL
LeBoeuf, Lamb, Leiby &
McRae
1333 New Hampshire Ave.,
N.W.
Washington, D.C. 20036

Counsel for Panhandle
Eastern Pipeline Company

FREDERIC MORING
HERBERT J. MARTIN
Crowell & Moring
1001 Connecticut Ave.,
N.W.
Washington, D.C.
20004-2505

Counsel for Associated Gas
Distributors

RICHARD A. SOLOMON
MARK N. MUTTERPERL
Wilner & Scheiner
Suite 300
1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

Counsel for The Public Service
Commission of the State of
New York

~~STEPHEN WILLIAMS
General Counsel
GEORGE G. CARTER
Senior Attorney
P.O. Box 2450
Clarksburg, W. Va. 26302-2450~~

Counsel for Consolidated Gas
Transmission Corporation

TERRENCE J. COLLINS
ROBERT BALLANTINE
P.O. Box 2511
Houston, Texas 77001

Counsel for Tennessee Gas Pipe-
Line, A Division of Tenneco Inc.

ADDENDUM

(Listings naming all parent companies, subsidiaries, and
affiliates of the corporate petitioners)

August 31, 1987

TENNECO INC. AND SUBSIDIARIES AND AFFILIATES

TENNECO INC. (Delaware)	
Agricultural & Industrial Management, Inc. (Delaware) .	100%
Albright & Wilson Inc. (Delaware)	100
Chemrich, Inc.	100
Brake-Pro Systems Inc. (Delaware)	100
DeKoven Manufacturing Co. (Wisconsin)	100
East Tennessee Natural Gas Company (Tennessee)	100
Eastern Insurance Company Limited (Bermuda)	100
ERCO Industries Inc. (Delaware)	100
Houston Oil & Minerals Corporation (Nevada)	100
Houston Oil & Minerals Exploration	
Company (Texas)	100
Houston Oil & Minerals Products Company (Texas) . .	100
Houston Oil International, Inc. (Texas)	100
HOCOL, S.A. (Cayman Islands)	100
J. I. Case GmbH (Germany)	100
J. I. Case S. A. (France)	100
Etablissement Lacroix S.A. (France)	100
Etablissement L. Bouilloux S.A. (France) . . .	98
Poclain S.A. (France)	44
Agencias Petroleras, Ltda. (Colombia)	100
Tenneco Espana SA (Spain)	100
Tenneco Petrole Gabon, S.A. (Cayman Islands) .	100
Houston Oil & Minerals of Colombia, Inc. (Texas) .	100
Houston Oil & Minerals of Dubai, Inc. (Texas)	100
Houston Oil & Minerals of The Netherlands,	
Inc. (Texas)	100
Houston Oil & Minerals of Tunisia, Inc. (Texas) . . .	100
Houston Oil & Minerals U.K., Inc. (Texas)	100
LaTerre Colombia, S.A. (Cayman Islands)	100
Tenneco Oil & Minerals of UMM AL-QAIWAIN	
(Texas)	100
Tenneco Oil of Gabon, Inc. (Texas)	100
Houston Production Company (Texas)	100
Houston Royalty Company (Nevada)	100
Magrange Inc. (Texas)	100
Intake Water Company (Delaware)	100
Kern River Corporation (Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Kern River Gas Transmission Company (Texas General Partnership) (Kern River Corporation has 50% ownership as General Partner and Williams Western Pipeline Company, an unaffiliated company, has 50% ownership as General Partner)	
Kern River Gas Supply Corporation (Delaware)	50%
(50% ownership by The Williams Companies, an outside company)	
Kern River Service Corporation (Delaware)	50
(50% ownership by The Williams Companies, an outside company)	
Land Ventures Inc. (Delaware)	100
Lorneterm LNG Limited (Canada)	100
Midwestern Gas Transmission Company (Delaware)	100
Midwestern Gas Marketing Company (Delaware)	100
Mineral Tenneco de Panama, S.A.	100
Monroe Auto Equipment Company (Delaware)	100
E-Z Ride Shock Absorber Company (Michigan)	100
Monroe Argentina S.A.I.C. y F. (Argentina)	100
Monroe Auto Equipement France S.A. (France)	100
Monroe Auto Equipment GmbH (Germany)	100
Monroe do Brasil Industria e Comercio Ltda. (Brazil)	100
Monroe Auto Pecas S.A. (Brazil)	80
Monroe Japan Co., Ltd. (Japan)	100
Regal Ride Shock Absorber Company (Michigan)	100
Sudinpar Holding Etablissement (Liechtenstein)	100
Tenneco Automotive Foreign Sales Corporation Limited (Jamaica)	98
Tenneco Automotive International Sales Corporation (Delaware)	100
New Tenn Company (Delaware)	100
Northeastern Gas Transmission Company (Delaware)	100
Tenneco Alaska, Inc. (Delaware)	100
Tenneco China Trade Inc. (Delaware)	100
Tenneco United Company (a Texas General Partnership) (Tenneco China Trade, Inc. has 50% ownership and Indamerica International, Inc., a California corporation has 50% ownership.)	

Subsidiaries of Tenneco Inc. (continued)

Tenneco Coal Company (Delaware)	100%
Tenneco Communications Corporation (Delaware)	100
Tenneco Corporation (Delaware)	100
Bloor Automotive Inc. (Delaware)	100
Discoverer Services, Inc. (Delaware)	100
Blue Flame Gas Corporation (Delaware)	100
Car-X Service Systems, Inc. (Delaware)	100
Channel Industries Gas Company (Delaware)	100
Channel Industrial Sales Company (Delaware)	100
Collins Pipeline Company (Delaware)	80
Columbine Casualty Company (Colorado)	100
G & T Pipeline Company (Delaware)	100
International Sourcing and Countertrade Company (Delaware)	100
Kern County Land Company (Delaware)	100
Boquillas Cattle Company (Arizona)	100
J. I. Case Company (Delaware)	100
Case Engine Holding Company, Inc. (Delaware)	100
Consolidated Diesel Company (North Carolina Partnership)	50
Consolidated Diesel, Inc. (Delaware)	100
Grand Detour Plow Company (Wisconsin)	100
Kase, S.A. De C. V. (Mexico)	100
J. I. Case Argentina S.A. (Argentina)	100
J. I. Case Credit Corporation (Wisconsin)	100
J. I. Case International, S.A. (Venezuela)	100
J. I. Case Leasing Corporation (Wisconsin)	100
J. I. Case Mfg. Company, Inc. (Wyoming)	100
J. I. Case Threshing Machine Company (Wisconsin)	100
Pryor Foundry, Inc. (Oklahoma)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

*Subsidiaries of Kern County Land Company
(continued)*

Subsidiaries of J. I. Case Company (continued)

Steiger Tractor, Inc. (Delaware)	100%
Integrated Technical Systems, Inc. (North Dakota)	100
Steiger Australia Ltd. (North Dakota)	100
Steiger Financial Corp. (Pty) Ltd. (Australia)	100
Steiger Canada Ltd. (Canada)	100
Steiger Credit Company (North Dakota)	100
Steiger Credit Canada Ltd. (Canada) . .	100
Steiger International, Ltd. (Guam)	100
Tenneco Canada Inc. (Ontario)	100
Dunville Mining Co. Limited (Alberta) . .	100
Electric Reduction Sales Co., Ltd. (Canada)	100
ERCO Industries of Canada Limited (Canada)	100
J. I. Case do Brasil & Cia. (Brazil)	100
Case Capital Assets Management S/C Ltda. (Brazil)	100
Productors Andina de Acidos y Derivados Ltda (Colombia)	49
Tenneco Credit Canada Corporation (Alberta)	100
The Case Company (Wisconsin)	100
Pueblo Del Sol Water Company (Arizona) . .	100
Tenneco West, Inc. (Delaware)	100
Ag-Ventures, Incorporated (California) . .	100
Cal-Date Company (California)	100
California Almond Orchards, Inc. (California)	100
California Harvest Shops, Incorporated (California)	100
Grandma Mac's Orchard, Inc. (California) .	100
H-M-T Inc. (California)	100

Subsidiaries of Tenneco Inc. (continued)

Heggblade-Marguleas-Tenneco, Inc. (California)	100%
House of Almonds, Inc. (Delaware)	100
Kern County Land Company, Inc. (California)	100
Kern Island Water Company (California) . . .	100
Kern River Canal and Irrigating Company (California)	98
Sun Giant Sales Corporation (California) . . .	100
Tenneco Exploration, Ltd. (Texas Limited Partnership) Tenneco Oil Company has 66.66% ownership as General Partner and Tenneco West, Inc. has 33.33% ownership as Limited Partner)	
Tenneco Exploration, Ltd. II (Texas Limited Partnership) (Tenneco Oil Company has 50% ownership as General Partner and Tenneco West, Inc. has 50% owner- ship as Limited Partner)	
Tenneco Farming Company (California)	100
Tenneco Property Development Corporation (California)	100
LHC Pipeline Company (Delaware)	100
Marlin Drilling Co., Inc. (Delaware)	100
Bluefin Supply Company (Delaware)	100
Marlin International Drilling Company (Delaware) .	100
Marlin Colombia Drilling Co. Inc. (Delaware) . .	100
Marlin-West Drilling Co., Inc. (Delaware)	100
Mitchell Supreme Fuel Company (Delaware)	100
Petro-Tex Chemical Corporation (Delaware)	100
Philadelphia Life Corporation (Pennsylvania)	100
State Gas Pipeline Company (Delaware)	100
SWL Development Corp. (Texas)	100
Counce Limited Partnership (Texas Limited Partnership) (SWL Development Corp. has 5% ownership as General Partner and Tenneco Credit Corporation has 95% ownership as Limited Partner)	
Counce Finance Corporation (Delaware)	100
SWL Security Corp. (Texas)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

T & M Terminal Company (Delaware)	80%
Tenneco Aviation Limited (Delaware)	100
Tenneco Credit Corporation (Delaware)	100
Counce Limited Partnership (Texas Limited Partnership) (Tenneco Credit Corporation has 95% ownership as Limited Partner and SWL Development Corp. has 5% ownership as General Partner)	
Counce Finance Corporation (Delaware) ..	100
Tenneco Storage Limited Partnership (Louisiana Limited Partnership) (Tenneco Oil Company has 50% ownership as General Partner and Tenneco Credit Corporation has 50% ownership as Limited Partner)	
Tenneco Storage Capital Corporation (Delaware)	100
Tenneco Cogeneration Development Company (Delaware)	100
Tenneco Financial Services Inc. (Delaware)	100
Tenneco Asset Management Company (Delaware)	100
Tenneco Asset Planning Company (Delaware) ..	100
Tenneco Inc. (Nevada)	100
Tenneco Insurance Company (Delaware)	100
Argosy Offshore Ltd. (Texas Limited Partnership) (FC Marine Inc. has 1% ownership as General Partner; Tenneco Insurance Company has 74% ownership as Limited Partner; and Skips A/S Tudor (Norway) has 25% ownership as Limited Partner)	
Tenneco Insurance Ventures Inc. (Delaware)	100
Tenneco InterAmerican Inc. (Delaware)	100
LIG Chemical Company (Louisiana)	100
Louisiana Intrastate Gas Corporation (Louisiana)	100
Mid Louisiana Gas Company (Delaware)	100
Sunbelt Gas Gathering Company (Delaware) .	100
Newport News Shipbuilding and Dry Dock Company (Virginia)	100

Subsidiaries of Tenneco (continued)

Subsidiaries of Tenneco Corporation (continued)

Asheville Industries Inc. (North Carolina)	100%
Greeneville Metal Manufacturing, Inc. (Virginia)	100
The James River Oyster Corporation (Virginia) .	100
Newport News Industrial Corporation (Virginia)	100
Newport News Industrial Corporation of Ohio (Ohio)	100
Newport News Offshore Systems Corporation (Virginia)	100
Newport News Reactor Services, Inc. (Virginia) .	100
SBG Puerto Rico, Inc. (Puerto Rico)	50
Packaging Corporation of America (Delaware)	100
Economy Printing & Lithographing Co. (Texas) .	100
Alcan Ekco Limited (United Kingdom)	50
A/S Hastrup-Ekco Aluminum-Emballage (Denmark)	50
Plus Pack AB Svenska Hastrup-Ekco (Sweden)	100
Plus Pack A/S (Norway)	100
Plus Pack GmbH (Austria)	100
Plus Pack GmbH (Switzerland)	100
Ekco N. V. (Belgium)	100
Ekco GmbH (Germany)	100
Ekco S.A.R.L. (France)	100
Lake States Carriers, Inc. (Illinois)	100
Toyo Ekco Company, Ltd. (Toyo Ekco Kubushiki, Kaisha) (Japan)	50
Skogstre A/S (Norway)	50
Tennessee River Pulp & Paper Company (Delaware)	100
The Corinth and Counce Railroad Company (Mississippi)	100
Tuscaloosa Pipeline Company (Louisiana)	100
Tenneco Minerals Company (Delaware)	100
Prometheus Minerals (Canada) Ltd. (Canada)	100
Tenneco Minerals Company of Australia, Inc. (Delaware)	100
Tenneco Specialty Minerals Company (Delaware) .	100
Windy Point Minerals, Ltd. (Canada)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Subsidiaries of Tenneco InterAmerica, Inc. (continued)

Tenneco Oil Company (Delaware)	100%
Caldyne, Inc. (Delaware)	100
Direct Oil Corporation of Texas (Texas)	100
FC Marine Inc. (Delaware)	75
(Skips A/S Tudor owns 25%)	
Argosy Offshore Ltd. (Texas Limited Partnership)	
(FC Marine Inc. has 1% ownership as General Partner; Tenneco Insurance Company has 74% ownership as Limited Partner; and Skips A/S Tudor (Norway) has 25% ownership as Limited Partner)	
GEO Oil and Gas Company of Houston (Delaware)	100
Greene's Propane Gas Corporation (Georgia) ...	100
HCT Oil and Gas Company (Delaware)	100
LaTerre Development Corp. (Delaware)	100
LaTerre Petroleum (U.K.), Inc. (Delaware)	100
LEDSCO, Ltd. (Pennsylvania Limited Partnership)	
(Tenneco Oil Company has 99% ownership as Limited Partner and One Independence Corporation has 1% ownership as General Partner)	
Resource Oil and Gas Company (Delaware)	100
TINCO, Ltd. (Texas Limited Partnership)	
(LEDSCO, Ltd. has 43.3% ownership as Limited Partner and Tenneco Oil Company has 56.7% ownership as General Partner)	
Mistal, Inc. (Delaware)	51
Mont Belvieu Land Company (Delaware)	100
Multistate Oil Properties, Inc. (Delaware)	100
Multistate Oil Properties, N.V. (Netherlands Antilles)	100
One Independence Corporation (Delaware) ..	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Subsidiaries of Tenneco Oil Company (continued)

LEDSCO, Ltd. (Pennsylvania Limited Partnership)	
(One Independence Corporation has 1% ownership as General Partner and Tenneco Oil Company has 99% ownership as Limited Partner)	
Operators, Inc. (Delaware)	100%
Ship Channel Chemicals Company (Delaware) ..	100
TENN-USS Chemicals Company (Texas General Partnership)	
(Ship Channel Chemicals Company has 50% ownership as General Partner)	
TENN-USS Chemicals Finance Corporation (Delaware)	50
(100% ownership in TENN-USS Chemicals Company, a Texas Partnership in which Ship Channel Chemicals Company owns 50%)	
Tenneco Exploration, Ltd. (Texas Limited Partnership)	
(Tenneco Oil Company has 66.66% ownership as General Partner and Tenneco West, Inc. has 33.33% ownership as Limited Partner)	
Tenneco Exploration, Ltd. II (Texas Limited Partnership)	
(Tenneco Oil Company has 50% ownership as General Partner and Tenneco West, Inc. has 50% ownership as Limited Partner)	
Tenneco LaTerre, Inc. (Delaware)	100
Tenneco Marine Services, Inc. (Delaware)	100
Tenneco OCS Company, Inc. (Delaware)	100
Tenneco Oil Pipeline Company (Delaware)	100
Tenneco Retail Service Company (Delaware) ...	100
Tenneco Retail Service Company of Texas (Texas)	100
Tenneco Storate Limited partnership (Louisiana Limited Partnership)	

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Subsidiaries of Tenneco Oil Company (continued)

(Tenneco Oil Company has 50% ownership as General Partner and Tenneco Credit Corporation has 50% ownership as Limited Partner)

Tenneco Storage Capital Corporation	100%
TINCO, Ltd. (Texas Limited Partnership)	
(Tenneco Oil Company has 56.7% ownership as General Partner and LEDCO, Ltd. has 43.3% ownership as Limited Partner)	
Viscosity Oil Company (Illinois)	100
Tenneco Oil Company of Nigeria (Delaware)	100
Tenneco Oil of Nigeria Unlimited (Nigeria)	50
Tenneco Phosphate, Inc. (Delaware)	100
Tenneco Polymers, Inc. (Delaware)	100
Tenneco Resins, Inc. (Delaware—in dissolution)	100
Tenneco Eastern Realty, Inc. (New Jersey)	100
Tenneco Synfuels Company (Delaware)	100
Tenneco Uranium, Inc. (Delaware)	100
Tenneco Gas Pipeline Corporation (Delaware)	100
Tennessee Gas Pipeline Corporation (Delaware)	100
Tennessee Overthrust Gas Company (Delaware)	100
Tenngasco Corporation (Delaware)	100
Creole Gas Pipeline Corporation (Louisiana)	100
Tenngasco Exchange Corporation (Delaware)	100
Tenngasco Gas Gathering Company (Delaware)	100
Tenngasco Gas Supply Company (Delaware)	100
HT Gathering Company (Texas)	50
Oasis Pipeline Company (Delaware)	20
Tenngasco Marketing Corporation (Delaware)	100
THC Pipeline Company (Delaware)	100
Walker Deutschland GmbH (Germany)	100
West Africa Corporation (Delaware)	100
Tenneco Oil Company of Nigeria Unlimited (Nigeria)	50
Tenneco Delta XII Gas Co. Inc. (Delaware)	100
Tenneco LNG International Inc. (Panama)	100
Tenneco Energy Ltd. (Canada)	100
Tenneco Foreign Sales Corporation (U.S. Virgin Islands)	100
Tenneco International Energy, Inc. (Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Tenneco International Inc. (Delaware)	100%
A B Starla-Werken (Sweden)	100
J. I. Case Sweden A.B. (Sweden)	100
Sara Gretes Cafeteria AB (Sweden)	50
Tenneco Transicol AB (Sweden)	100
Case Belgium Inc. (Delaware)	100
Case France, S.A. (France)	100
Societe Francaise Immobiliere Franim (France)	100
Tractorwork Iberica, Inc. (Delaware)	100
Case Tracteurs S.A. (France)	100
Case Traktoren GmbH (Germany)	100
Compania de Financiacion Case, S.A. (Spain)	100
Etablissement Robert Bellanger, S.A. (France)	100
Speedy Et Cie SNC (France)	100
(Etablissement Robert Bellanger, S.A. has 99% ownership and Speedy Inc. has 1% ownership)	
J. I. Case (Australia) Pty., Ltd. (Australia)	100
J. I. Case Credit Corporation of Australia Pty. Limited (Australia)	100
J. I. Case (Murray Bridge) Pty. Ltd. (Australia)	100
J. I. Case Norge A/S (Norway)	100
J. I. Case Operations (Europe) Inc. (Delaware)	100
J. I. Case S.A. (Spain)	100
J. I. Case South Africa (Pty.) Ltd. (South Africa)	100
J. I. Case S.W.A. (Proprietary) Ltd. (South West Africa)	100
J. I. Case Sweden Inc. (Delaware)	100
Monroe Australia Proprietary Limited (Australia)	100
Wylie Superannuation Pty. Ltd. (Australia)	100
Omni-Pac GmbH (Germany)	1
Omni-Pac S.A.R.L. (France)	97
Poclain do Brasil S.A. (Brazil)	100
P.P.M. Guindastes Hidraulicos S.A. (Brazil)	99
Riverside Date International, Inc. (Delaware)	100
Tunisian American DATE Company (Tunisia)	49
S.A. Paper Chemicals (Proprietary), Limited (South Africa)	60
S.A. Tenneco Belgium (Poclain-Nibrie-Petro-Tex) N.V. (Belgium)	100
Somadoc N.V. (Belgium)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Societe Anonyme Industrielle des Resines (France)	100%
Speedy Inc. (Delaware)	100
Speedy Et Cie SNC (France)	
(Speedy Inc. has 1% ownership and Etablissement Robert Bellanger, S.A. has 99% ownership)	
Tenneco Australia, Inc. (Delaware)	100
Tenneco Automotive Trading Company (Delaware)	100
Tenneco Deutschland Beteiligungs GmbH (Germany)	100
Case Vibromax GmbH (Germany)	98
Case Vibromax GmbH and Co. (Germany)	2
Case Vibromax Australia (Pty) Ltd.	
Vibromax France SARL (France)	99
Vibromax SCI (France)	99
Omni-Pac GmbH (Germany)	99
Omni-Pac ApS (Denmark)	100
Omni-Pac A.B. (Sweden)	100
Omni-Pac S.A.R.L. (France)	3
Pit-Stop Auto Services GmbH (Germany)	100
Poclain GmbH (Germany)	100
Case Poclain GmbH & Co. (Germany)	2
Chance Gesellschaft Fuer Baumachinau MbH	100
Wilhelm Weller, Herstellung und Vertrieb von Strassenwalzen, GmbH (Germany)	100
Vibromax France SARL (France)	1
Vibromax SCI (France)	1
Tenneco Egypt, Inc. (Delaware)	100
Tenneco Far East Exploration and Development Company (Delaware)	100
Tenneco Great Britain Limited (United Kingdom)	100
Tenneco Holdings B.V. (Netherlands)	100
Tenneco Nederland B.V. (Netherlands)	100
Case Poclain GmbH & Co. (Germany)	98
Chance Gesellschaft Fuer Baumachinau MbH (Germany)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Gebr. Broere B.V. (Netherlands)	100%
Antwerp United Tanker Agencies N.V. (Belgium)	100
Agence Maritime Eurotank N.V. (Belgium)	100
Depositias Del Norte, S.A. (Spain)	50
Terminales Quimicos S.A. (Spain)	26
Tank Terminals Rotterdam, B.V. (Netherlands)	100
Tankvaart Dordrecht, B.V. (Netherlands)	100
Case Vibromax GmbH und Co. (Germany)	98
Vibromax Australia (Pty) Ltd. (Australia)	100
Tenneco Transicol B.V. (Netherlands)	100
Nederlandsche Bewoid Maarachappij, B.V. (Netherlands)	100
Tenneco Holdings Danmark A/S (Denmark)	100
Case Traktori Oy (Finland)	100
Finnwalker Oy (Finland)	100
Lydex A/S (Denmark)	100
J. I. Case A/S (Denmark)	100
Handelsselskabet af 12/2/76 Roskilde Aps (Denmark)	100
Tenneco International Marketing Company (Delaware)	100
Tenneco International N.V. (Netherlands Antilles)	100
Tenneco International Trading Company (Delaware)	100
Tenneco Norge Inc. (Delaware)	100
Tenneco Norway Oil Company (Delaware)	100
Tenneco Offshore Netherlands Company (Delaware)	100
Tenneco Oil Company of Colombia (Delaware)	100
Tenneco Oil Company Norsk A/S (Norway)	100
Tenneco Oil Company of the Bahamas (Delaware)	100
Tenneco Oil Company of Trinidad (Delaware)	100
Tenneco Oil Cote d'Ivoire, Inc. (Delaware)	100
Tenneco United Kingdom Holdings Limited (Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

J. I. Case Europe Limited (Delaware)	100%
Case Credit Limited (United Kingdom)	100
International Harvester Company of Great Britain Limited (United Kingdom)	100
Omni-Pac U.K. Limited (United Kingdom)	100
Hartmann Fibre Limited (United Kingdom)	100
Tenneco Europe Limited (Delaware)	100
Tenneco International Finance Limited (United Kingdom)	100
Case Credits Limited (United Kingdom)	100
Tenneco International Finance BV (Netherlands)	100
Tenneco International Holdings Limited (United Kingdom)	100
Albright & Wilson Limited (United Kingdom)	100
ACC (Fertilisers) Ltd. (United Kingdom)	100
FCL Crop Protection, Ltd. (United Kingdom)	100
Robt. Stephenson & Son Ltd. (United Kingdom)	100
The Farmers Co. Ltd. (United Kingdom)	100
Albright & Wilson A.B. (Sweden)	100
Albright & Wilson A/S (Norway)	100
Albright & Wilson Asia Trading (H.K.) Limited (Hong Kong)	100
Albright & Wilson Asia Trading Pie Limited (Singapore)	100
AWAT Thai Ltd. (Thailand)	49
Albright & Wilson Asia Trading (Malaysia) Sdn Bhd (Malaysia)	100
Albright & Wilson ESP Trustees Ltd. (United Kingdom)	100
Albright & Wilson Executive Pension Trustees, Ltd. (United Kingdom)	100
Albright & Wilson GmbH (Austria)	100
Albright & Wilson Intertrade Ltd. (United Kingdom)	100
Albright & Wilson Investments (PTY) Ltd. (Australia)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom Holdings Limited (continued)

Albright & Wilson (Australia) Limited (Australia)	57%
National Brands (PTY), Ltd. (Australia)	100
Albright & Wilson New Zealand Limited (New Zealand)	100
Albright & Wilson (Langley) Ltd. (United Kingdom)	100
Albright & Wilson (Malaysia) SDN, BHD. (Malaysia)	100
Albright & Wilson (Marchon) Pte. Limited (Singapore)	100
Ethoxylates Manufacturing Pte. Ltd. (Singapore)	49
Albright & Wilson Match Phosphorous Co. Ltd. (United Kingdom)	100
Albright & Wilson (Mfg.) Ltd. (United Kingdom)	100
Albright & Wilson Oils SDN BHD (Malaysia)	100
Albright & Wilson Overseas Ltd. (United Kingdom)	100
Akulu Marchon (PTY) Ltd. (South Africa)	50
Akulu Chemicals (PTY) Ltd. (South Africa)	100
Marchon-Paragon Holdings (PTY) Ltd. (South Africa)	100
Marchon-Paragon Sulphonation (PTY) Ltd. (South Africa)	50
Albright & Wilson Aps (Denmark)	100
Albright & Wilson BV (Netherlands)	100
Albright & Wilson GmbH (Germany)	100
Albright & Wilson International Finance BV (Netherlands)	100
Albright & Wilson Ireland Ltd. (Eire)	100
Albright & Wilson Northern Ireland, Ltd. (United Kingdom)	100
Ibex Ltd. (Ireland)	100
Thawpit (Ireland) Ltd. (Ireland)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Albright & Wilson Limited (continued)

Subsidiaries of Albright & Wilson Overseas Ltd. (continued)

Albert & Wilson SpA (Italy)	100%
Marchon Espanola S.A. (Spain)	100
Marchon France S.A. (France)	100
Marchon Hellas Ltd. (Greek)	100
Marchon Italians SpA (Italy)	100
Marchon Sud SpA (Italy)	100
Polyphosphates Inc. (Philippines)	40
Albright & Wilson Pension Investments Ltd. (England)	100
Albright & Wilson Produtos Quimicos Ltda. (Brazil)	100
Albright & Wilson Resins and Organics Limited (United Kingdom)	100
Albright & Wilson (Sandwell) Ltd. (United Kingdom)	100
E. P. Potter & Co. Ltd. (United Kingdom)	100
Albright & Wilson Staff Pension Trustees Ltd. (United Kingdom)	100
Albright & Wilson (Warley) Ltd. (United Kingdom)	100
Albright & Wilson Works Pension Trustees Ltd. (United Kingdom)	100
Albright & Wilson Dentifrice Phosphates Sdn. Bhd. (Malaysia)	100
Albright, Morarji and Pandit Limited (India)	39.9
Astoria Shipping & Transport Co., Ltd (United Kingdom)	100
Cambray Ltd. (United Kingdom)	100
Clifford Christopherson & Co., Ltd. (United Kingdom)	100
Cumbria Trading Co., Ltd. (United Kingdom)	100
Detergent Chemical Limited (United Kingdom)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Albright & Wilson Limited (continued)

Electropol Ltd. (United Kingdom)	100%
General Phosphates Co. Ltd. (United Kingdom)	100
Leo Lines, Ltd. (United Kingdom)	100
Mallison Feeds, Ltd. (United Kingdom)	100
Marchon Products, Ltd. (United Kingdom)	100
Mays Chemical Manure Co., Ltd. (United Kingdom)	100
Mortimer Investment Co Limited (United Kingdom)	100
Proban Ltd. (United Kingdom)	100
Solway Chemicals, Ltd. (United Kingdom)	100
Stockport United Chemical Co Ltd. (United Kingdom)	100
Tenneco Malros Ltd. (United Kingdom)	100
Tenneco Organics Ltd. (United Kingdom)	100
Butler (1843) Ltd. (United Kingdom)	50
(50% owned by Petrofina (U.K.) Limited a non-Tenneco company)	
Arndale Fuels Ltd. (United Kingdom)	100
Butler Oil Produce Ltd. (United Kingdom)	100
Croft Oils Limited (United Kingdom)	100
Elston Oils Limited (United Kingdom)	100
Gough Oils Limited (United Kingdom)	100
John Oils Limited (United Kingdom)	100
Compass Chemical Company, Ltd. (United Kingdom)	100
The Scottish Chemical Co., Ltd. (United Kingdom)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Albright & Wilson Limited (continued)

Thai Polyphosphate & Chemicals Co. Ltd. (Thailand)	30%
Thomas Tyrer & Co. Ltd. (United Kingdom)	100
Case-Poclain Limited (United Kingdom)	100
David Brown Tractors Limited (United Kingdom)	100
David Brown Tractors (Belfast Ltd. (United Kingdom)	100
David Brown Tractors (Ireland) Ltd. (Ireland)	100
David Brown Tractors (Retail) Ltd. (United Kingdom)	100
A.M. Exports Limited (United Kingdom)	100
Poclain Limited (United Kingdom)	100
Tractorwork, Limited (United Kingdom)	100
Harmo Industries, Ltd. (United Kingdom)	100
Birmingham Filters Limited (United Kingdom)	100
Brames Limited (United Kingdom)	100
D. P. Miller & Sons Limited (United Kingdom)	100
Harmo Pressings Limited (United Kingdom)	100
Harmo Steel Co. Limited (United Kingdom)	100
Harmo Tubes Limited (United Kingdom)	100
F. Mould Limited (United Kingdom)	100
F. Mould (Silencers) Limited (United Kingdom)	100
J. W. Hartley (Motor Trade) Limited (United Kingdom)	100
Fisher & Mould Limited (United Kingdom)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Harmo Industries, Ltd. (continued)

Harmo Auto Services (Export) Limited (United Kingdom)	100%
Harmo Auto Services Limited (United Kingdom)	100
Harmo Export Ltd. (United Kingdom)	100
Harmo Filters Limited (United Kingdom)	100
Harmo Technical Development Limited (United Kingdom)	100
Steering & Suspension Limited (United Kingdom)	100
Karobes Limited (United Kingdom)	100
Midland Trim & Equipment Ltd. (United Kingdom)	100
The Harmo Engineering Co. Limited (United Kingdom)	100
Houston Data Venture (U.K.) Limited (United Kingdom)	100
J. I. Case Company Limited (United Kingdom)	100
Monroe Auto Equipment U.K. Limited (United Kingdom)	100
Tees Storage Company Limited (United Kingdom)	50
Tenneco-Walker (U.K.) Limited (United Kingdom)	100
Tenneco West Limited (United Kingdom)	100
Tenneco United Kingdom, Inc. (Delaware)	100
Tenneco Venezuela, Inc. (Delaware)	100
Thompson and Stammers (Dunmow) Limited (United Kingdom)	100
Universaltrac Beteiligungs GmbH (Germany)	100
Interactor Viehmann GmbH & Co. (Germany)	50
Intertractor A.G. (Switzerland)	100
Intertractor America Corporation (Delaware)	100
Intertractor G.B. Ltd. (United Kingdom)	100
Intertractor Italiana S.R.L. (Italy)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Realty, Inc. (continued)

Walker Europe, Inc. (Delaware)	100%
Walker Norge A/S (Norway)	100
Tenneco LNG Inc. (Delaware)	100
Tenneco Norway LNG Inc. (Delaware)	100
Tenneco Realty, Inc. (Delaware)	100
First National Services, Inc. (Delaware)	100
Immobiliaria Beigrado, S.A. (Mexico)	100
Ten Ten Travis Corporation (Delaware)	100
Tennchase, Inc. (Texas)	100
Tenneco Realty Development Corporation (Delaware)	100
Meadows of the Kern Mutual Water Company (California)	100
Stockdale Coffee Company (California)	100
Tenneco Arizona Property Corporation	100
Tenneco Property Corporation (California)	100
Tenneco Realty Development Holding Corporation (Delaware)	100
Uplands of the Kern Mutual Water Company (California)	100
Tennessee Gas Building Corporation (Delaware) ..	100
TRI Realty, Inc. (Texas)	100
Tenneco Shale Oil Company (Delaware)	100
Tenneco SNG Inc. (Delaware)	100
Tenneco Trinidad LNG, Inc. (Delaware)	100
Tenneco Ventures Inc. (Delaware)	100
Tennessee Gas Marketing Company (Delaware)	100
Tennessee Gas Services, Inc. (Delaware)	100
Tennessee Gas Transmission Company (Delaware) ...	100
Tennessee Iroquois Gas Company (Delaware)	100
Tennessee Niagara Gas Company (Delaware)	100
Tennessee Ozark Gas Company (Delaware)	100
Tennessee Storage Company (Delaware)	100
Tennessee Trailblazer Gas Company (Delaware)	100
Walker Manufacturing Company (Delaware)	100
Walker Marketing Corporation (Wisconsin)	100

ASSOCIATED GAS DISTRIBUTORS

AGD is an informal association of East Coast local natural gas distribution companies. The members of AGD and their parent companies, subsidiaries, and affiliates are listed as follows:

Atlanta Gas Light Company*

Subsidiaries: Georgia Gas Company
Georgia Engine Sales & Service
Trustees Investments, Inc.
Georgia Natural Gas Company
Georgia Gas Service Company
George Energy Company

Baltimore Gas & Electric Company*

Subsidiaries: Constellation Holdings, Inc.
Constellation Investments, Inc.
Constellation Properties, Inc.
Constellation Biogas, Inc.

Affiliate: Safe Harbor Water Power Corporation

Bay State Gas Company*

Subsidiaries: Bay State Exploration, Inc.
Bay State Gas Supply, Inc.
Northern Utilities, Inc.
Granite State Gas Transmission, Inc.

The Berkshire Gas Company*

Boston Gas Company

Parent: Eastern Gas and Fuel Associates*

The Brooklyn Union Gas Company*

Subsidiaries: Fuel Resources, Inc.
Fuel Resources Gathering, Inc.
Brooklyn Union Exploration
Company, Inc.
Gas Energy, Inc.
Methane Development Corporation
Collectaccount Services, Inc.
Star Enterprises, Inc.
Delaware Valley Propane Company

*Denotes publicly owned member or parent company.

Central Hudson Gas & Electric Corporation*

Subsidiaries: Central Hudson Enterprises Corp.
Central Hudson Cogeneration, Inc.
CH Resources, Inc.
Greene Point Development Corp.
Phoenix Development Co., Inc.

Chesapeake Utilities Corporation

Subsidiary Eastern Shore Natural Gas Co.
Dover Exploration Co.
Skipjack, Inc.
Sharpgas, Inc.

City of Holyoke, Mass., Gas & Electric Department

City of Norwich, Department of Public Utilities

City of Westfield Gas & Electric Light Department

Colonial Gas Company*

Subsidiaries: Transgas, Inc.
Massachusetts Associates, Inc.

Commonwealth Gas Co.

Parent: Commonwealth Energy System*

Concord Natural Gas Corporation

Subsidiary: Concord Gas Service Corp.

Consolidated Edison Company of New York, Inc.*

Delmarva Power & Light Company*

Subsidiaries: Delmarva Energy Company
Delmarva Industries, Inc.
Delmarva Capital Investments, Inc.
DCI I, Inc.
DCI II, Inc.

Elizabethtown Gas Company

Parent: NUI Corporation*

*Denotes publicly owned member or parent company.

EnergyNorth, Inc.*

Subsidiaries: EnergyNorth Realty, Inc.
Gas Service, Inc.
Energy Resources Corp.
Manchester Gas Co.
Concord Natural Gas Corp.
Concord Gas Service Corp.
Rent-A-Space of New England, Inc.

Essex County Gas Company

Fitchburg Gas & Electric Light Company*

Subsidiary: Fitchburg Energy Development Co.

Lynchburg Gas Company

Subsidiary: Lynco Development Corp.

New Jersey Natural Gas Company

Parent: New Jersey Resources Corporation*

New York State Electric & Gas Corporation*

Subsidiary: Somerset Railroad Corporation

North Carolina Natural Gas Corporation

Subsidiaries: NCNG Exploration Corp.
Cape Fear Energy Corp.

Northeast Utilities*

Subsidiaries: The Connecticut Light and Power Company
Western Massachusetts Electric Company
Holyoke Water Power Company
Northeast Nuclear Energy Company
The Rocky River Realty Company
The Quinnehtuk Company
Northeast Utilities Service Company

Northern Utilities, Inc. (see Bay State Gas Company)

Pennsylvania Gas & Water Company

Parent: Pennsylvania Enterprises, Inc.

*Denotes publicly owned member or parent company.

Pequot Gas Co.

Philadelphia Electric Company*

Subsidiaries: Adwin Equipment Company
Adwin Realty Company
Conowingo Power Company
Eastern Pennsylvania Development
Company
Eastern Pennsylvania Exploration
Company
Philadelphia Electric Power Company
The Susquehanna Electric Company
The Susquehanna Power Company

Philadelphia Gas Works

Providence Gas Company

Parent: Providence Energy Corporation*

Public Service Company of North Carolina, Inc.*

Subsidiary: PSNC Natural Resources Corporation
Tar Heel Energy Corp.
PSNC Production Corp.
PSNC Exploration Corp.
PSNC Propane Corp.

Public Service Electric & Gas Company*

Subsidiaries: Energy Pipeline Corporation
Energy Terminal Services Corporation
Mulberry Street Urban Renewal
Corporation
PSE&G Overseas Finance N.V.
PSE&G Research Corporation
Public Service Resources Corp.
Community Energy Alternatives, Inc.
Energy Development Corporation
Gasdel Pipeline System, Inc.

South County Gas Co.

South Jersey Gas Co.

Parent: South Jersey Industries, Inc.*

*Denotes publicly owned member or parent company.

The Southern Connecticut Gas Co.

Parent: Connecticut Energy Corp.*

UGI Corporation*

Subsidiaries: AmeriGas, Inc.
AP Propane
AmeriGas II, Inc.
Schwartz Carbonic Company
Industrial Gases, Inc.
Picar, Inc.
AmeriLease, Inc.
ANSUTECH, Inc.
Matheson Gas Products, Inc.
Matheson Gas Products
Canada, Inc.

UGI Development Company

Ashtola Production Company
International Petroleum Service
Company

Keystone Oilfield Supply Co.
Stimwell Services Company
B&L Services, Inc.

Universal Well Services, Inc.
Target Cementing Co.

UGID Holding Company
Triad Drilling Company
Union Supply Company
Wellhead Compressor Packagers
Company

*Denotes publicly owned member or parent company.

UGI Corporation* (continued)

Subsidiaries:

Wellhead Finance Co.

Cryotex, Inc.
Heavy Media, Inc.
Four Flags Drilling Company, Inc.
Tri-Four, Inc.
UGID Drilling Company
UGID Drilling Investing Company
UGI Ethanol Development Corporation
SAM's Well Service, Inc.
Development Leasing Corporation
Physicians Technology Corporation
Capital Housing, Inc.
Skyten Corporation
UGI Realty Company
UGI Finance N.V.

Valley Gas Co.

Parent: Valley Resources, Inc.*

Washington Gas Light Co.*

Subsidiaries:

Crab Run Gas Co.
Davenport Insulation, Incorporated
Frederick Gas Co., Inc.
Hampshire Gas Co.
Shenandoah Gas Co.
Brandywood Estates, Inc.
Washington Gas Approved Services, Inc.
Rock Creek Properties, Inc.
Utilitrol

*Denotes publicly owned member or parent company.

Panhandle Eastern Pipe Line Company

The following are subsidiaries or affiliates of Panhandle Eastern Pipe Line Company:

Aurora Industries, Inc.
Dixilyn-Field Drilling Company
Faskure Technology, Inc.
Mantaray Pipeline Company
Pan Eastern Exploration Company
Panhandle Eastern Corporation
Southwest Gas Storage Company
Stingray Pipeline Company
Trunkline Gas Company
Trunkline LNG Company
The Youghiogeny and Ohio Coal Company

Consolidated Gas Transmission Corporation

Consolidated Gas Transmission Corporation is a subsidiary of Consolidated Natural Gas Company. The other subsidiaries included in the Consolidated Natural Gas System are CNG Coal Company, CNG Development Company, CNG Energy Company, CNG Producing Company, CNG Research Company, CNG Trading Company, Consolidated System LNG Company, The East Ohio Gas Company, Hope Gas, Inc., The Peoples Natural Gas Company, The River Gas Company, West Ohio Gas Company and Consolidated Natural Gas Service Company, Inc.